HARGROVE, SMELLEY & STRICKLAND

JOSEPH L. HARGROVE, JR. DAVID L. SMELLEY PAUL A. STRICKLAND GLENN L. LANGLEY LOUISE F. PEARCE JONATHAN R. RABURN (A Professional Law Corporation)
American Tower, Suite 600
401 Market Street
Shreveport, Louisiana 71101-3239
August 18, 2005

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELECHONE (318) 429-7200
TELECOPIER (318) 429-7201

THOMAS J. WYATT (1942-1996)

OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: <u>APPLICATION FOR PUBLIC HEARING</u>.

Hosston Zone, Reservoir A; Cotton Valley Formation, Reservoir A; and Lower Cotton Valley Zone, Reservoir A; ELM GROVE FIELD, Bossier and Caddo Parishes, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; to the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; in the Elm Grove Field, Bossier and Caddo Parishes, Louisiana:

- 1. To permit Applicant to drill, designate and utilize five (5) additional alternate unit wells for HOSS RA SU83 at the locations shown on an attached plat, with the proposed location for the State Lease 10965 13 No. 2 Well being in lieu of the location approved for this well by Office of Conservation Order No. 361-A-278, effective February 17, 2004.
- 2. To permit Applicant to drill, designate and utilize five (5) additional alternate unit wells for CV RA SU90 at the locations shown on an attached plat, with the proposed location for the State Lease 10965 13 No. 2 Well being in lieu of the location approved for this well by Office of Conservation Order No. 361-B-296, effective February 17, 2004.
- 3. To permit Applicant to drill, designate and utilize five (5) additional alternate unit wells for LCV RA SUYY at the locations shown on an attached plat, with the proposed location for the State Lease 10965 13 No. 2 Well being in lieu of the location approved for this well by Office of Conservation Order No. 361-E-209, effective September 29, 2004.
- 4. To approve exceptions to the spacing provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972 (applicable to the Hosston Zone, Reservoir A), Office of Conservation Order No. 361-B, effective October 1, 1973 (applicable to the Cotton Valley Formation, Reservoir A), and Office of Conservation Order No. 361-E, effective July 16, 1996 (applicable to the Lower Cotton Valley Zone, Reservoir A), for any of the proposed wells, the location of which, as shown on the attached plats, does not comply with the spacing provisions in such Orders.
- 5. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.
 - 6. To discuss such other matters as may be pertinent to this application.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo, Webster, Bossier and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A Series of Orders.

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The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Webster, Bossier and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series of Orders.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Caddo, Webster, Bossier and Bienville Parishes, Louisiana, was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the three (3) attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose a check payable to the Commissioner of Conservation for the application fee.

David L. Smellev

Attorney for J-W Operating Company

DLS:dp Enclosures

cc: Mr.

Mr. Jim Broussard (w/encls.)

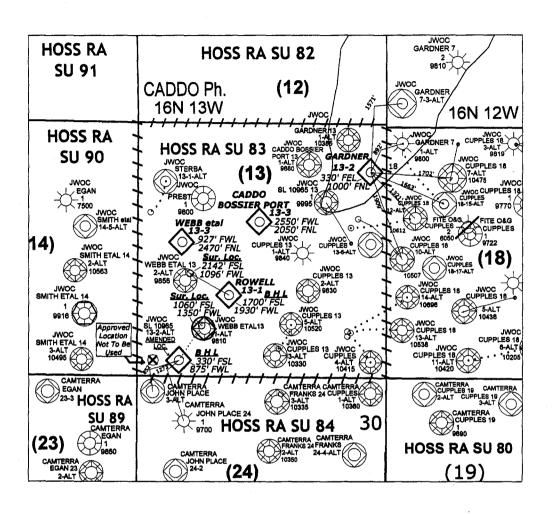
Mr. Jerry Wooten (w/encls.)

Mr. Michael Baca (w/encls.)

Mr. Joe B. Adams (w/encls.)

Interested Owners, Represented

Parties and Interested Parties (w/plats only)



LEGEND

- Existing Units 361-A series
- ♦ Proposed Alternate Unit Well
- O Unit Well
- Approved Alternate Unit Well
- Substitute Unit Well Posted Wells > 6000'

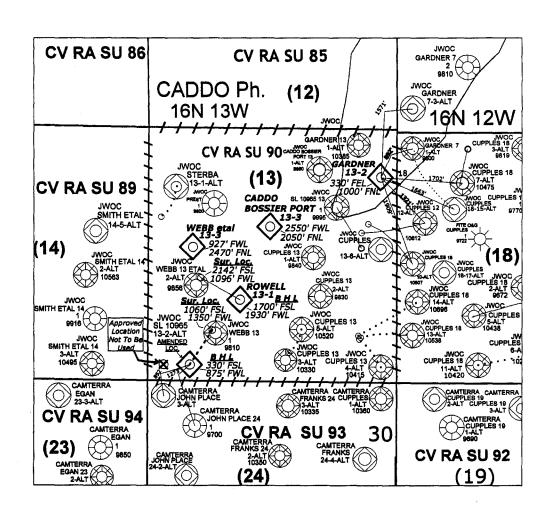


J-W OPERATING COMPANY

Elm Grove Field Bossier & Caddo Phs., La. UNIT PLAT – HOSSTON ZONE

UNIT PLAT - HOSSION ZONE		
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" : 2000'	05-??

1000 0 1000 2000 3000 ft



LEGEND

- Existing Units 361—B series
- ♦ Proposed Alternate Unit Well
- O Unit Well
- Approved Alternate Unit Well Posted Wells > 8300'

J-W OPERATING COMPANY

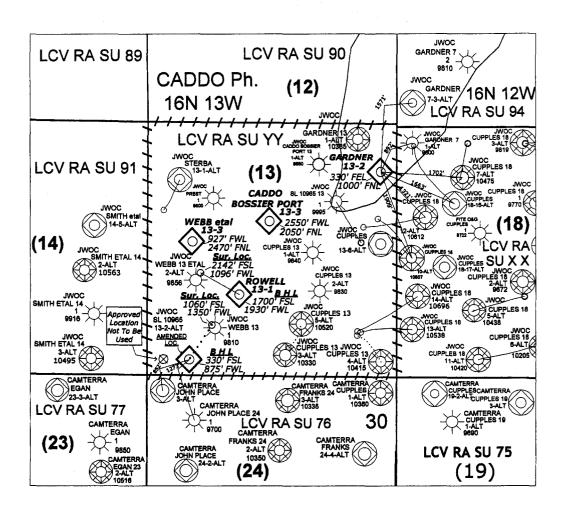
Elm Grove Field

Bossier & Caddo Phs., La.

UNIT PLAT – COTTON VALLEY FORMATION

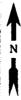
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" : 2000'	05-??

1000 0 1000 2000 3000 ft



LEGEND

- Existing Units 361—E series
- ♦ Proposed Alternate Unit Well
- O Unit Well
- Approved Alternate Unit Well Posted Wells > 8300'



J-W OPERATING COMPANY

Elm Grove Field
Bossier & Caddo Phs., La.
Unit Plat – Lwr. Cotton Valley Zone

DATE: Witness: Joe Adams Docket No.

Exhibit 1 Scale: 1" = 2000' 05-??

1000 0 1000 2000 3000 ft